

HOUSE BILL No. 1303

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33-12-6.

Synopsis: Additional homestead credit. Allows a unit to grant an additional homestead credit and replace the revenue lost from the homestead credit with riverboat admission tax revenues distributed to the unit.

Effective: January 1, 2004 (retroactive).

Stevenson, Bischoff, Budak, Becker

January 15, 2004, read first time and referred to Committee on Ways and Means.

C
O
P
Y



Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1303

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-33-12-6, AS AMENDED BY P.L.92-2003,
2 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2004 (RETROACTIVE)]: Sec. 6. (a) The department
4 shall place in the state general fund the tax revenue collected under this
5 chapter.
6 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
7 the treasurer of state shall quarterly pay the following amounts:
8 (1) Except as provided in subsection (k), one dollar (\$1) of the
9 admissions tax collected by the licensed owner for each person
10 embarking on a gambling excursion during the quarter or
11 admitted to a riverboat that has implemented flexible scheduling
12 under IC 4-33-6-21 during the quarter shall be paid to:
13 (A) the city in which the riverboat is docked, if the city:
14 (i) is located in a county having a population of more than
15 one hundred ten thousand (110,000) but less than one
16 hundred fifteen thousand (115,000); or
17 (ii) is contiguous to the Ohio River and is the largest city in



C
o
p
y

1 the county; and
 2 (B) the county in which the riverboat is docked, if the
 3 riverboat is not docked in a city described in clause (A).
 4 (2) Except as provided in subsection (k), one dollar (\$1) of the
 5 admissions tax collected by the licensed owner for each person:
 6 (A) embarking on a gambling excursion during the quarter; or
 7 (B) admitted to a riverboat during the quarter that has
 8 implemented flexible scheduling under IC 4-33-6-21;
 9 shall be paid to the county in which the riverboat is docked. In the
 10 case of a county described in subdivision (1)(B), this one dollar
 11 (\$1) is in addition to the one dollar (\$1) received under
 12 subdivision (1)(B).
 13 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
 14 admissions tax collected by the licensed owner for each person:
 15 (A) embarking on a gambling excursion during the quarter; or
 16 (B) admitted to a riverboat during the quarter that has
 17 implemented flexible scheduling under IC 4-33-6-21;
 18 shall be paid to the county convention and visitors bureau or
 19 promotion fund for the county in which the riverboat is docked.
 20 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 21 the admissions tax collected by the licensed owner for each
 22 person:
 23 (A) embarking on a gambling excursion during the quarter; or
 24 (B) admitted to a riverboat during a quarter that has
 25 implemented flexible scheduling under IC 4-33-6-21;
 26 shall be paid to the state fair commission, for use in any activity
 27 that the commission is authorized to carry out under IC 15-1.5-3.
 28 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 29 admissions tax collected by the licensed owner for each person:
 30 (A) embarking on a gambling excursion during the quarter; or
 31 (B) admitted to a riverboat during the quarter that has
 32 implemented flexible scheduling under IC 4-33-6-21;
 33 shall be paid to the division of mental health and addiction. The
 34 division shall allocate at least twenty-five percent (25%) of the
 35 funds derived from the admissions tax to the prevention and
 36 treatment of compulsive gambling.
 37 (6) Except as provided in subsection (k), sixty-five cents (\$0.65)
 38 of the admissions tax collected by the licensed owner for each
 39 person embarking on a gambling excursion during the quarter or
 40 admitted to a riverboat during the quarter that has implemented
 41 flexible scheduling under IC 4-33-6-21 shall be paid to the
 42 Indiana horse racing commission to be distributed as follows, in

C
o
p
y



amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal

C
o
p
y



body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

- (A) is located in the county in which the riverboat docks; and
- (B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the department of commerce to be used by the department for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

- (A) Job creation and retention.
- (B) Infrastructure, including water, wastewater, and storm water infrastructure needs.
- (C) Housing.
- (D) Workforce training.

C
O
P
Y



(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the department.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

**C
o
p
y**



shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k), sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to:

(A) reduce the property tax levy of the unit for a particular year; or

(B) replace revenue lost through the granting of an additional homestead credit for a particular year under subsection (l) for homesteads (as determined under IC 6-1.1-20.9) that are located in the unit;

(3) may be used for any legal or corporate purpose of the unit,

C
o
p
y



including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The

C
o
p
y



amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) exceed a particular entity's base year revenue; and
 - (2) would otherwise be due to the entity under this section;
- to the property tax replacement fund instead of to the entity.

(l) As used in this subsection, "unit" means a city, town, or county, and "fiscal body" has the meaning set forth in IC 36-1-2-6. The fiscal body of a unit that receives a distribution under this section may adopt an ordinance to provide an additional homestead credit to homesteads (as determined under IC 6-1.1-20.9) that are located in the unit. The increased homestead credit may be calculated as an additional homestead percentage or may be calculated by any other formula adopted by the fiscal body. The fiscal body may establish in its ordinance the maximum homestead credit that any particular homestead may receive based on a uniformly applied formula. However, the total homestead credits granted under this subsection for a particular year may not exceed the lesser of:

- (1) the amount distributed under this section to the unit in the twelve (12) months immediately preceding February 1 of the particular year; or**
- (2) the amount specified in the ordinance.**

If the formula adopted in the ordinance would result in the granting of a total of homestead credits that exceeds the amount

C
o
p
y



1 allowed under this subsection, the homestead credits granted must
2 be proportionally reduced to comply with this subsection. For an
3 ordinance under this subsection (or an amendment to that
4 ordinance) to be effective for property taxes first due and payable
5 in a year, the ordinance or amendment to the ordinance must be
6 adopted before February 1 of that year. However, to be effective
7 for property taxes first due and payable in 2004, the ordinance
8 must be adopted before May 1, 2004. The fiscal body adopting the
9 ordinance or an amendment to the ordinance must provide the
10 county auditor and county treasurer with a copy of the ordinance
11 within five (5) business days after the adoption of the ordinance or
12 amendment.

13 SECTION 2. An emergency is declared for this act.

C
o
p
y

